

## Message Text

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66

ACTION EUR-12

INFO OCT-01 ISO-00 TRSE-00 FRB-03 CIEP-01 CEA-01 EB-07

COME-00 SS-15 NSC-05 CIAE-00 INR-07 NSAE-00 RSC-01

PA-01 PRS-01 USIA-06 OPIC-03 XMB-02 SP-02 /068 W

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R 271735Z JAN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7535

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

C O N F I D E N T I A L BONN 01381

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: GDS

TAGS: ECON, EFIN, GW

SUBJECT: INVESTMENT BONUS PROGRAM RESULTS DISAPPOINTING

REF: BONN 19437

1. A SOURCE IN THE CHANCELLOR'S OFFICE TOLD AN EMBASSY OFFICER THAT THE INVESTMENT BONUS PROGRAM, WHICH IS THE KEY ELEMENT IN THE FRG'S ECONOMIC PROGRAM OF DECEMBER 12, IS NOT WORKING OUT AS WELL AS EXPECTED. ACCORDING TO OFFICIAL SOUNDINGS, HE STATED, INVESTMENT IS NOT PICKING UP BEYOND THE LEVEL IT NORMALLY WOULD HAVE ATTAINED. THE SPD-AFFILIATED SOURCE SAID THAT THERE  
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WAS INDEED JUSTIFICATION FOR THE CDU/CSU CRITICISM OF

THE PROGRAM ON THIS ACCOUNT. AS A RESULT OF THE DISAPPOINTING EARLY INDICATORS ON THE INVESTMENT RATE THE GOVERNMENT IS THINKING OF EXTENDING THE PERIOD FOR ELIGIBILITY FOR THE SPECIAL 7.5 PERCENT BONUS FROM JUNE 30, 1975 TO SEPTEMBER 30, OR LATER. CONSIDERATION IS ALSO BEING GIVEN TO ANNOUNCING AT SOME LATER DATE A TAX CREDIT PROGRAM FOR INVESTMENTS IF A FURTHER BOOST SEEMS NECESSARY, AND AT PRESENT IT IS BEGINNING TO LOOK AS THOUGH IT WILL, THE SOURCE OBSERVED.

2. IT IS STILL VERY EARLY TO DRAW DEFINITIVE CONCLUSIONS ABOUT THE EFFICACY OF THE DECEMBER 12 MEASURES SINCE THE STATISTICAL DATA IS JUST NOT YET AVAILABLE. THE CHANCELLERY SOURCE SAID HIS OBSERVATIONS WERE BASED ON AN INFORMAL SURVEY OF BUSINESS CONTACTS, WHICH COULD BE AN ACCURATE STRAW-IN-THE-WIND INDICATOR OF THE DIRECTION OF THINGS. AT LEAST IT IS BEING SO INTERPRETED BY SOME IN THE FRG.  
HILLENBRAND

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC PROGRAMS, INVESTMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BONN01381  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750030-0155  
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**Previous Handling Restrictions:** n/a  
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**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 APR 2003 by KelleyW0>; APPROVED <17 SEP 2003 by ElyME>  
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EO Systematic Review  
05 JUL 2006

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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INVESTMENT BONUS PROGRAM RESULTS DISAPPOINTING  
**TAGS:** ECON, EFIN, GE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006